# Research Plan Proposal

## Impact of Marketing Strategies on Firm's Performance:

## A Case Study of Select Newspaper Firms

For registration to the degree of Ph.D.

Faculty of Social Sciences

**Department of Economics**

The IIS University, Jaipur

Submitted by

**Shailja Khanduri**

Enrollment No: ICG/2012/14675

Under the supervision of

**Dr. Nidhi Sharma**

Department of Economics

The IIS University, JAIPUR

# TABLE OF CONTENTS

Introduction……. 3

Literature Review…… 5

Objectives……..... 12

Hypotheses……... 12

Methodology……... 13

Bibliography……..... 15

# INTRODUCTION

In the contemporary globalized market, characterized by intense competition and fast changing tastes and preferences of consumers, marketing strategy has emerged as an important source of competitive advantage for any firm irrespective of the industry it belongs to. In the arena of mass communication, print media is a strong player which includes newspapers, weeklies, magazines, monthlies and other forms of printed journals. The newspaper industry, in particular, is confronted with many challenges posed by the present socio-economic scenario in our country. The market maturity is reached and print newspapers are losing their importance as a primary source of news. Readers are turning to new, free platforms on the television and Internet. Furthermore, wider consumers' choice, changing preferences, decreasing circulations and declining revenues are causing numerous layoffs and difficulties for newspaper firms to stay competitive.

In the given market dynamics, the newspaper industry has filled its arsenal with numerous marketing strategies to better respond to changing tastes and preferences of the consumers. A new era in newsprint media is, therefore, unfolding in the field of product promotions, marketing communications and customer orientation. Progressive newspaper firms in many countries have shown to achieve greater success by competing through innovative and tempting marketing strategy. This

not only helps to retain profits but also assists to build relationships with customers, which cultivates their loyalty and protects against brand switching.

In order to examine the interrelationship between a firm's marketing strategy and its performance, Hindi newspaper market in Rajasthan makes for an interesting case study. Hindi newspaper market in Rajasthan is a duopoly with Dainik Bhaskar and Rajasthan Patrika being the two leading newspaper firms. The nature of the market is such that it is characterized by intense but non-price competition. These firms, therefore, resort to new forms of marketing strategies and other selling practices that are primarily customer oriented. The present study seeks to examine the effect of such marketing strategies on the performance of the above mentioned two major players in Hindi newspaper market in Rajasthan.

# LITERATURE REVIEW

There have been various studies to explore the relationship between marketing strategies adopted by a firm and its impact on the firm's performance. A few select studies on the subject, primarily pertaining to newspaper firms, have been reviewed here.

**Bentley (2000)** in his study "Make My Day: Ritual, Dependence and The habit of Newspaper reading" explored the power of habit and ritual on newspaper readership. The study quantified the "newspaper habit" and measured its impact on readership. Data for the study were collected from two randomized telephone surveys of Oregon residents, one conducted in 1998 and the other in 1999. A 'newspaper reading habit' index was developed and new criteria for newspaper readership were suggested. The data was analyzed by using statistical techniques like factor analysis, reliability and correlation analyses. The study revealed that habit is a force in newspaper readership that is independent of the traditional demographic drivers of readership. The results showed that while the effect of habit on both the perceived importance of reading a newspaper and on reading frequency is small, it is significant, definite and quite strong.

**Erdil *et. al.*, (2004),** in their paper entitled "The relationships between market orientation, Firm innovativeness and innovation performance" examined the interrelationships between market orientation, firm innovativeness and innovation performance. A survey was conducted in order to collect data by using structured questionnaire forms distributed to and collected from executive managers of a sample of industrial firms in the Marmara Region. The data were analyzed by using SPSS 10.0 statistical program and factor analysis, reliability and correlation analyses were utilized in order to evaluate the relationships between the variables. The study concluded that the collection and use of market information is positively correlated with the development and implementation of market-oriented strategy. The study also indicated that firm innovativeness and innovation performance are correlated positively.

**Kotler & Keller (2006)** in their book "Marketing management" *(12$^{th}$ edition)* focused on the major decisions that marketing managers and top management face in their efforts to harmonize the organization's objectives, capabilities, and resources with market needs and opportunities. The book presented conceptual tools and frameworks for analyzing recurrent problems in marketing management along with the cases and examples to illustrate effective marketing principles, strategies, and practices. The book applied strategic thinking to the complete spectrum of marketing: products and services, consumer and business markets,

profit and non-profit organizations, domestic and foreign companies, small and large firms, manufacturing and intermediary businesses, and low- and high-tech industries.

**Tandon (2006)** in his study "The Future of Print News Media: Adapting to Change" discussed how advances in internet and information technologies in the last ten years have posed a challenge to the traditional newsprint industry. The paper examined the current state of the news print media in the United States, Japan and India, and made a comparative analysis among and within these countries by analyzing data available from various organizations.

**Weezel (2008)** in his study "Organizational changes in newspaper firms and their relationship to performance" investigated the extent to which two organizational changes, i.e. integration and outsourcing with due consideration to environmental conditions affects firm's financial performance that included net income, gross margin, sales growth, and return on equity, and the responses were averaged. The study took sample from the participants in the Inter American Press Association annual meeting that took place in Miami in October 2007. The participants were high-ranking managers in newspaper companies –i.e. presidents, publishers, CEOs, and general editors. The study concluded that the higher the degree of integration within the firm, the more positive the firm's performance. Also, outsourcing was found to be negatively related to firm's performance.

**Fernandes (2009)** in her study "Breathing Their Last Breath? The Effects of the Internet on Print Media" investigated the impact of internet on the publishing Industry, particularly magazines and newspapers. The study was conducted in Pennsylvania State. Questionnaires were distributed online as well as personally. In total, 182 responses were collected, though only 161 of those responses are considered usable for the investigation. The survey results suggest that internet and traditional print media can operate in a complementary manner to create increased brand awareness among consumers, increased readership, loyalty, and advertising revenue.

**Godson (2009)** in his book "Relationship Marketing" (*1st edition)* dealt with an alternate approach in marketing management that is relationship marketing and showed how the effective management of relationships can meet the organization's marketing objectives. The book emphasized that an important function of management is the concentration of marketing efforts and resources on developing and maintaining long term, close relationship with customers and stake holders. Many companies have used the principles of relationship marketing to create a competitive advantage. The book illustrated the difference between traditional transaction –based marketing and relationship marketing. In relationship marketing, the role of personal and social networking was emphasized.

**Human & Naude (2009)** in their study "Relationship or Innovation orientation in B2B markets: Empirical results from an emerging market" examined the association of innovation orientation and relationship orientation with the firm performance in business-to-business (B2B) markets. By employing published scales for innovation and relationship orientation, cross-sectional data were collected from 181 business-to-business managers in South African firms. Confirmatory factor analysis was used to test for scale reliability and validity, while the hypothesized relationships between constructs were considered through structural equation modeling and partial least squares analysis. The study revealed a significant positive relation between innovation orientation and performance, as well as between relationship orientation and performance. The results also suggest that higher levels of performance are possible for firms that achieve an increased integration of innovation and relationship orientation.

**Meyer (2009)** in his book "The Vanishing Newspaper" *(2nd edition)* offered the newspaper industry a business model for preserving and stabilizing the social responsibility functions of the press in a way that could outlast technology-driven changes in media forms. The book provided the 'Meyer's influence model' based on the premise that a newspaper's main product is not news or information, but societal influence. The model was supported by empirical evidences, including statistical assessments of the quality and influence of the journalist's product, as

well as its effects on business success. The book employed new charts to show how a surge in newsroom employment increased readership in the 1980s.

**Munshi (2009**) in his book "Making Breakthrough Innovation Happen: How 11 Indian Pulled off the Impossible" (*1st Edition*) discussed the real life accounts of 11 innovative ideas conceived and executed by Indian entrepreneurs. The examples covered a wide range of industries from public sector to private sector, and from MNCs and huge Indian companies to startup firms. The book talked about 11 ideas that had a deep impact, and achievements that were original and influential. The book also discussed the case of the Hindi daily, Dainik Bhaskar that combined intensive in-house marketing surveys and research with innovative marketing ideas to capture a large segment of the market in each new city it entered.

**Paul *et.al*., (2009)** in their study "Comparative Study of the Two Leading Newspapers in Rajasthan" examined two leading Dailies of Rajasthan, namely Rajasthan Patrika and Dainik Bhaskar. The study compared the market share, circulation, major content categories, readership, and advertising strategy of both the firms. The study concluded that Patrika-Bhaskar competition has expanded the market for both the firm in Rajasthan.

**Ferrell and Hartline (2010)** in their book "Marketing Strategy" *(5th Edition)* focused on how organizations plan, develop, and implement marketing strategies.

The book presented a systematic process for developing customer-oriented marketing strategies. The book provided a comprehensive planning framework based on conducting sound background research, developing market capabilities and competitive advantages, designing integrated marketing programs, and managing customer relationships for the long term. The book stressed on the need to integrate and coordinate marketing decisions with other functional business decisions as the key to achieving an organization's overall mission and vision.

**Lee *et. al.*, (2010)** in their study "The influence of knowledge management and marketing innovation strategies on marketing performance" analyzed the influence of knowledge management and marketing innovation strategies on marketing performance, taking the example of the biggest and the most representative Taiwan's funeral service company – Lung Yen. The study focused on three dimensions: knowledge management, marketing innovation strategy and marketing performance. By means of convenience sampling, the study took the employees of Lung Yen Life Services Co. Ltd. (Taiwan) in Taiwan as the sample target for research. The study concluded that both Knowledge Management (knowledge absorption, knowledge sharing, knowledge storage,) and Marketing Innovation strategy (Product innovation, & Innovation in marketing methods) has significant positive influence on marketing performance.

## OBJECTIVES

- To identify those tools of marketing strategy which are crucial for competitive advantage of a firm.
- To measure the impact of marketing strategies on a firm's performance in terms of economic parameters such as market share, total revenue and total profit.
- To measure the impact of marketing strategies on consumer satisfaction, employees' organizational commitment & employees' motivation.

## HYPOTHESES

- The Marketing Strategies adopted do not affect the ***sales performance*** of the firms.
- The Marketing Strategies adopted do not affect the ***total profits*** of the firms.
- The Customer Oriented Strategies do not affect the level of ***consumer satisfaction.***

# METHODOLOGY

In the proposed research work a conceptual model linking marketing strategy, competitive advantage of the firm's and firm's performance will be theoretically derived and will be empirically tested using statistical techniques like correlation, regression and factor analysis. The firm's performance will be measured in terms of both objective parameters: market share, total revenue & total profits; and subjective factors like consumer satisfaction, employees' organizational commitment & employees' motivation.

The study will be based on both secondary and primary data. The secondary data will be collected from firm's sales & marketing report. The primary data will be collected through questionnaires, personally as well as electronically. The study proposes to collect primary data from the employees, management and consumers of *Dainik Bhaskar* and *Rajasthan Patrika* published from two districts of Rajasthan, namely Jaipur and Ajmer. The choice of the two districts would assist the comparison between the competitive firms in two different surroundings, as well as check the generality of the conclusions drawn from the study.

The proposed study will be organized in the following chapters:

1. Introduction

2. Marketing Strategies: Significance, Implementation & Measurement Techniques
3. Effect of Marketing Strategies on Firm's Sales Performance: A Case Study of Newsprint Media Firms
4. Effect of Marketing Strategies on Consumer Orientation
5. Conclusions

# BIBLIOGRAPHY


- Advisory Committee on Measuring Innovation in the 21st Century Economy. (2008). *Innovation measurement: Tracking the state of innovation in the American economy*. 1-36. Retrieved from http://www.esa.doc.gov/sites/default/files/reports/documents/innovation_measurement_01-08.pdf
- Bhaskaran, S. (2006). Incremental innovation and business performance: small and medium-size food enterprises in a concentrated industry environment. *Journal of Small Business Management*, 44, 64-80.
- Barthelemy,S.,Bethell,M.,Christiansen,t.,Jarsvall,A.& Koinis,K. (2011). The Future of Print Media. *Capstone Report*. Retrieved from http://www.google.co.in/search?client=opera&q=Barthelemy+et.al.,+(2011)+%E2%80%9CThe+Future+of+Print+Media%E2%80%9D&sourceid=opera&ie=utf-8&oe=utf-8&channel=suggest
- Bentley, H .C. (2000). *Make my day: ritual, dependence and the habit of newspaper reading* (Doctoral dissertation). School of Journalism and Communication, University of Oregon, Oregon.

- Chen, Y. (2006). Marketing innovation. *Journal of Economics & Management Strategy,* 15 (1), 101-123.

- Dimmick, J., Chen, Y., Li, Z. (2004). Competition between the internet and traditional news media: The gratification-opportunities niche dimension. *The Journal of Media Economics*, 17(1), 12-33.

- Efi, V. (2010). *Marketing innovation measurement* (Master's dissertation). Athens Information Technology (AIT), Athens.

- Erdil, S., Erdil, O. & Keskin H. (2005). The relationships between market orientation, firm innovativeness and innovation performance. *Journal of Global Business and Technology,* 1 (1), 1-11.

- Fernandes, A. (2009). *Breathing their last breath? The effects of the internet on print media* (Honors Dissertation), Chestnut Hill College, Pennsylvania, USA.

- Ferrell, O. C., & Hartline, M. D. (2010). *Marketing strategy* (5th ed.). Mason, OH: South- Western Cengage Learning.

- Garcia, T. A. (2011). The relevance of marketing in the success of innovations. IPTS Working Paper on Corporate R&D and Innovation-

No.09/2011(JRC Technical Notes). Retrieved from http://iri.jrc.es/. doi: 10.2791/75736.

- Gardner, W., Sichel, W., & Bronfenbrenner, M. (1990). *Economics* (3rd ed.), Boston. Houghton Mifflin Company.

- Godson, M. (2009). *Relationship management* (1st ed.). New York, Oxford University Press Inc.

- Han, J. K., Kim, N., & Srivastava, R. (1998). Market orientation and organizational performance: Is innovation a missing link? *Journal of Marketing*, 62(4), 30–45.

- Human, G., & Naude, P. (2009). Relationship or innovation orientation in B2B markets: Empirical results from an emerging market. Retrieved from www.impgroup.org/uploads/papers/7265.pdf.

- Hurley, R. F., & Hult, T. M. (1998*).* Innovation, market orientation, and organizational learning: An integration and empirical examination. *Journal of Marketing*, 62 (3), 42–54.

- Kohli, A. K., Jaworski, B. J., & Kumar, A. (1993). MARKOR: A measure of market orientation. *Journal of Marketing Research,* 30(4), 467-477.

- Kotler, P., & Keller, K.L. (2012). *Marketing management* (12th ed.) New Jersey, Pearson Education, Inc., Upper Saddle River.

- Lee, Y., Chang, L., Chien, C., Huang, C., & Chen, C.Y. (2010). The influence of knowledge management and marketing innovation strategies on marketing performance: a case study of a Taiwan's funeral service company. *Innovative Marketing*, 6(2), 69-76.

- Levitt, T. (1960). Growth and profits through planned marketing innovation. *Journal of Marketing*, 24 (4), 1-8.

- Lukas, B. A., & Ferrell, O. C. (2000). The effect of market orientation on product innovation. *Journal of the Academy of Marketing Science,* 28(2), 239–247.

- Meyer, P., (2009). *The vanishing newspaper* (2nd ed.). Columbia, University of Missouri Press.

- Munshi, P. (2009). *Making breakthrough innovation happen: how 11 Indian pulled off the impossible*. (1st ed.). Noida Harper Collins Publishers.

- Naidoo, V. (2010). Firm survival through a crisis: The influence of market orientation, marketing innovation and business strategy. *Industrial Marketing Management*, 39 (8), 1311-1320.

- Narver, J. C., & Slater, S. F. (1990). The effect of a market orientation on business profitability. *Journal of Marketing,* 54(4), 20–35.

- Pang. X, & Qu, Y. (2010). *Marketing innovation implementation* (Master's dissertation). University of Gavle, Sweden. Retrieved from http://www.hig.se/Ext/Sv/Biblioteket/University-Library---Learning-Center/Search/Essays-and-Dissertations.html.

- Paul, Narain, Bora, Varnika, Shubhra & Praveen (2009).Comparative study of the two leading newspapers in Rajasthan. Retrieved from http://www.scribd.com/doc/23330403/Comparative-Study

- Tandon, S. (2006). The future of print news media: Adapting to change. *Journal of Global Media Studies*. 2, 37-42.

- Weezel, A.V. (2008). Organizational changes in newspaper firms and their relationship to performance. Paper submitted to the 8th World Media Economics and Management Conference Lisbon, Portugal. Retrieved from http://www.google.co.in/search?client=opera&q=%E2%80%A2+Weezel,

+A.V.+(2008).+Organizational+changes+in+newspaper+firms+and+their+relationship+to+performance&sourceid=opera&ie=utf-8&oe=utf-8&channel=suggest.

***